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July 12, 2012

**VIA OVERNIGHT DELIVERY**

Ms. Jocelyn G. Boyd  
Chief Clerk/Administrator  
SC Public Service Commission  
101 Executive Center Dr., Ste. 100  
Columbia, SC 29210  
(803) 896-5100

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2012 JUL 13 AM 10:09  
SC PUBLIC SERVICE  
COMMISSION

Re: **CREXENDO BUSINESS SOLUTIONS, INC.**  
Docket No. 2012-219-C

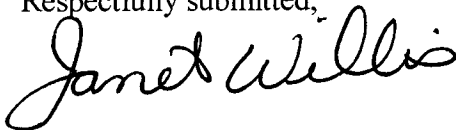
Dear Ms. Boyd:

Enclosed please find for filing an original and twenty-five (25) copies of the company's pre-filed testimony. The company does not intend to engage in telemarketing in the State of South Carolina.

I have enclosed an extra copy of this letter to be date-stamped and returned to me in the self-addressed, postage prepaid envelope I have provided.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me. Thank you.

Respectfully submitted,



Janet Willis  
Legal Assistant to Lance J.M. Steinhart  
Attorney for **CREXENDO BUSINESS SOLUTIONS, INC.**

RETURN DATE: OK  
SERVICE: OK

Enclosure  
Jeff Korn (w/enc)  
C. Lessie Hammonds – ORS via e-mail: lhammon@regstaff.sc.gov  
Scott Elliott via e-mail: selliott@elliottlaw.us  
MaryJo Lawracy via e-mail: maryjo@elliottlaw.us

BEFORE THE  
PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

DOCKET NO. 2012-219-C

IN RE: APPLICATION OF )  
CREXENDO BUSINESS SOLUTIONS, INC. )  
TO PROVIDE LOCAL EXCHANGE AND )  
INTEREXCHANGE )  
TELECOMMUNICATION SERVICES )  
USING VOICE OVER INTERNET )  
PROTOCOL TECHNOLOGY )

DIRECT TESTIMONY  
OF JEFF KORN

SC PUBLIC SERVICE  
COMMISSION

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I. Introduction

- 1     1.     **Q.     Please state your name and business address.**
- 2             A.     My name is Jeff Korn. My business address is 1615 South 52nd Street, Tempe,
- 3                     Arizona 85281.
- 4     2.     **Q.     By whom are you employed and in what capacity?**
- 5             A.     I am Chief Legal Officer of Crexendo Business Solutions, Inc. ("Crexendo").
- 6     3.     **Q.     Please give a brief description of your background and experience in business**
- 7                     **and telecommunications.**
- 8             A.     My background and experience, as well as other members of the management team
- 9                     of Crexendo, is set forth in Exhibit D to our application.
- 10

1 4. **Q. What is the purpose of your testimony?**

2 A. The purpose of my testimony is to describe the nature of Crexendo's proposed  
3 service offering within the State of South Carolina, and to demonstrate its financial,  
4 managerial, and technical ability to provide the telecommunications services for  
5 which authority is sought herein.

6 5. **Q. Do you wish to incorporate by reference any documents into your testimony?**

7 A. Yes. I wish to incorporate by reference the underlying Application filed in this  
8 proceeding and its associated attachments.

9 **II. The Business of Crexendo**

10 6. **Q. Has Crexendo registered to do business in South Carolina?**

11 A. Yes. Crexendo is a Arizona Corporation that has received authorization to transact  
12 business within the State of South Carolina. A copy of Crexendo's Articles of  
13 Incorporation is attached to the Application as Exhibit "A" and a copy of the  
14 document of authorization from the State of South Carolina is attached to that  
15 Application as Exhibit "B".  
16

1     7.     **Q.     Please describe the services Crexendo intends to provide within the State of**  
2     **South Carolina.**

3     A.     Crexendo seeks authority to provide Local Exchange and Interexchange Service  
4     Telecommunications services using Voice over Internet Protocol (“VoIP”)  
5     Technology in the State of South Carolina. Crexendo requests for its local exchange  
6     service offerings to be regulated in accordance with procedures authorized for  
7     NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C; and for  
8     its interexchange service offerings to be regulated in accordance with procedures  
9     established for alternative regulation by Order Nos. 95-1734 and 96-55 in Docket  
10    No. 95-661-C. Crexendo notes that its voice service offerings are provided using  
11    Internet protocol (“IP”) technology similar to that of Time Warner Cable  
12    Information Services (South Carolina), LLC d/b/a Time Warner Cable and should be  
13    regulated in accordance with procedures authorized for Time Warner Cable and  
14    should be regulated in accordance with procedures authorized for Time Warner  
15    Cable by Order No. 2004-213 in Docket No. 2003-362-C. Crexendo provides its  
16    voice service using IP technology, the Company’s privately managed IP network  
17    and the public switched telephone network (“PSTN”). Crexendo intends to provide  
18    such service to customers located in non-rural local exchange service areas of South  
19    Carolina.

1 8. Q. Does Crexendo currently provide local exchange and interexchange  
2 telecommunications services using Voice over Internet Protocol technology in  
3 any other state?

4 A. Yes. Crexendo is currently authorized to provide these services in the following  
5 states: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, District of  
6 Columbia, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa,  
7 Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi,  
8 Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico,  
9 New York, North Carolina, North Dakota, Oregon, Pennsylvania, Rhode Island,  
10 South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West  
11 Virginia, Wisconsin and Wyoming.

12 9. Q. Has Crexendo ever had an application for a certificate of public convenience  
13 and necessity denied?

14 A. No.

15 10. Q. Does Crexendo intend to file a tariff with the Commission?

16 A. Yes. Crexendo filed a tariff along with its Application in this proceeding which it  
17 will modify as necessary in order to meet the Commission's requirements. We  
18 believe Crexendo's Tariff will comport with all Orders, Rules, and Regulations of  
19 the Commission.

20 11. Q. Will Crexendo comply with the Commission's orders regarding the resale of  
21 interexchange carrier services?

22 A. Yes. Crexendo will at all times provide and market interexchange carrier services  
23 using Voice Over Internet Protocol Technology in accordance with current  
24 Commission policies. In addition, Crexendo at all times will provide interstate  
25 services in compliance with all FCC rules and regulations.  
26

1 12. **Q. Has Crexendo provided any intrastate telecommunications services within the**  
2 **State of South Carolina?**

3 A. No it has not.

4 13. **Q. What rates will Crexendo charge upon receipt of certification?**

5 A. Crexendo will charge the tariffed rates approved by the Commission.

6 14. **Q. How will Crexendo market services in South Carolina?**

7 A. Crexendo intends to market its services via direct sales by Crexendo's employees  
8 and independent sales agents.

9 III. Managerial, Technical and Financial Qualifications

10 15. **Q. Does Crexendo have sufficient managerial, technical, and financial resources**  
11 **and ability to provide the telecommunications services proposed in its**  
12 **Application?**

13 A. Yes. Crexendo has sufficient technical, financial, and managerial resources and  
14 ability to provide the telecommunications services for which authority is sought  
15 herein. Crexendo's personnel represent a broad spectrum of business and technical  
16 disciplines, possessing many years of individual and aggregate telecommunications  
17 experience.

18 My qualifications and experience are discussed on Exhibit D to our  
19 application, which attachment also supports Applicant's managerial and technical  
20 ability to provide the services for which authority is sought herein.

21

1 16. **Q. How does Crexendo handle customer service requests?**

2 A. Crexendo's customer service department handles all such requests. Crexendo can be  
3 reached by toll free number.

4 17. **Q. Please describe the financial condition of Crexendo.**

5 A. In support of Crexendo's financial ability to provide the services sought herein,  
6 Crexendo is a wholly owned subsidiary of iMergent, Inc. ("iMergent"), a publicly  
7 traded company. See copy of iMergent's SEC Form 10-K for period ending  
8 December 31, 2010 was submitted as Exhibit C to the Application.

9 IV. Public Interest

10  
11 18. **Q. How will residents of South Carolina benefit from Crexendo's services and  
12 presence in South Carolina?**

13 A. Commission approval should bring the following long-term benefits to telephone  
14 users:

15 (1) More competition, additional services and a better product at competitive  
16 prices;

17 (2) Increased consumer choice as well as innovative telecommunications  
18 services;

19 (3) Efficient use of existing communications resources as well as increased  
20 diversification and reliability of supply of communications services;

21 (4) Development of an expanded telecommunications supply industry in South  
22 Carolina;

1 (5) An expanded tax base and revenue source for the State of South Carolina;

2 And,

3 (6) Additional sources of revenues for Local Exchange Companies through  
4 access charges and billing and collection fees.

5 19. Q. **Has the Company ever been the subject of an investigation by any state**  
6 **Regulatory body or by the FCC?**

7 A. No.

8 20. Q. **Will the Company agree to abide by and comply with the Commission's**  
9 **Rules and Regulations and Commission Orders in its operations in South**  
10 **Carolina?**

11 A. Yes.

12 21. Q. **Does this conclude your testimony?**

13 A. Yes. I would like to thank the Commission for this opportunity to provide  
14 information relevant to Crexendo's Application and am ready to provide any  
15 additional information that the Commission may need in making its decision.  
16